(a) whether the exporters of petroleum products enjoy any duty drawback on their crude imports;

(b) if so, the details thereof;

(c) the quantity of petroleum products in MT exported during the last three years, company-wise; and

(d) the approximate value of duty drawback during this period?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) Government has notified norms for import of Duty Free crude oil against export of petroleum products. The norms for crude oil for 1 MT of product exported are as under:

	Crude Quantity allowed (MT)
LPG	1.564
Light Ends	1.265
Middle Distillates	1.072
Heavy Ends	0.820

(c) The quantity of petroleum products exported during the last three years company-wise is given in the Statement (See below).

(d) Information is being collected.

Statement

Quantity of petroleum products exported during the last three years

Quantity in Thousand Metric Tonne

Company	IOC	BPC	HPC	KRL	ONGC	MRPL	RIL	CPCL	NRL	Total
2001-02	49	141	532	105	251	424	8582	0	0	10085
2002-03	396	483	596	165	135	1957	6505	18	34	10289
2003-04	1096	452	776	154	403	4225	7514	0	0	14620

Investment in oil-linked bonds

1279. SHRI MURLI DEORA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether World Bank has suggested that India can hedge risk of its

crude import bill spiralling with surge in international prices by investing in oil price linked bonds where return multiplies with rise in crude prices;

(b) whether India can benefit in this way as rise in the crude cost would be compensated from the returns on the bonds; and

(c) if so, what is Government's reaction thereon?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) In a presentation to the Ministry of Petroleum and Natural Gas and oil PSUs in September, 2004, a team from the World Bank had *inter alia* suggested that the Government/oil PSUs could invest in oil price linked bonds to be issued by the World Bank. Under this arrangement, the coupon rate would depend upon the price of oil, *viz.,* high coupon rate when the oil prices are high and low coupon rate in case of low oil prices.

(b) and (c) As the Government does not import any oil itself, it does not have any direct oil price risk exposure. The exposure of oil refining companies is not to absolute crude oil price but the differential between the product and crude oil prices in the international market. Therefore, the bonds linked only to crude oil prices are not directly relevant to them. Some of the oil refining companies are already using crack spread (differential between product and crude oil price) to hedge some portion of their margin.

Adulteration of naphtha with petrol and diesel

†1280. DR. PRABHA THAKUR : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are aware that naphtha adulterated diesel and petrol is being supplied at petrol pumps;

(b) whether naphtha mixed smoke has an adverse effect on the environment; and

(c) the details of steps taken by Government to put a check on this kind of adulteration?

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†Original notice of the question was received in Hindi.